

CIA HISTORICAL REVIEW PROGRAM  
RELEASE AS SANITIZED

2003

<sup>TS</sup>  
NO NUMBER

Subj: Indications of  
Soviet Involvement  
in ALFHEM Shipment;  
Possibility of Further  
Shipments

TRANSMITTAL .IP

~~EYES ONLY~~21 May  
(Date)

TO:

*Billie*

BUILDING

ROOM NO.

REMARKS:

*Mr. Dulles saw this  
about 21 May. He  
handed it to Mr [ ]  
on either 21 or 22 May.  
It's ready for your  
file now, I presume.*

FROM:

*Margaret*

BUILDING

ROOM NO.

EXTENSION

FORM NO. 36-8  
SEP 1946~~EYES ONLY~~

16-65268-1 GPO

~~TOP SECRET~~

~~CONFIDENTIAL~~

20 May 1954

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Indications of Soviet Involvement in ALFHEM  
Shipment; Possibility of Further Shipments

1. Your attention is drawn to the special intelligence report O/QO-S/T53-54, which indicates the possibility of Soviet involvement in the recent shipment of arms to Guatemala aboard the Swedish vessel ALFHEM.

2. The information contained in this report is being processed for downgrading and dissemination as a SECRET CS intelligence report.

3. The reference to "eventual freight payment over Russian clearing" in O/QO-S/T53-54 suggests to us that Russian credits may have been used to provide the necessary means of payment for the Czech shipment.

4. As far as is known, Guatemala has paid only \$5,000,000 for these arms. It was originally estimated that this sum would purchase 800 to 1000 tons of arms. Using this as a base the ALFHEM shipment of 2000 tons may represent an investment of approximately \$10,000,000. Several reports have been received indicating that one or two additional shiploads are expected in Guatemala. If so, it may mean an investment of another \$10,000,000 or a total of \$20,000,000. Since the Guatemalan national budget in 1953 was approximately 60 - 65 million dollars, it follows that their purchase of such a large quantity of arms could only be accomplished by use of substantial credits abroad.

5. It is doubtful that Czechoslovakia would grant such credits to Guatemala without at least the approval of the Soviet authorities or their actual guarantee. The Soviets may also have been the only practical sources of insurance on the shipments in question.

[ ]  
DEPUTY DIRECTOR, PLANS

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